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| Adopted | Rejected |
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COMMITTEE REPORT

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|------|----|
| YES: | 17 |
| NO: | 11 |

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 2009, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 health and to make an appropriation.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 4-12-1-14.3, AS AMENDED BY P.L.291-2001,
- 6 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2003]: Sec. 14.3. (a) As used in this section, "master
- 8 settlement agreement" has the meaning set forth in IC 24-3-3-6.
- 9 (b) There is hereby created the Indiana tobacco master settlement
- 10 agreement fund for the purpose of depositing and distributing money
- 11 received under the master settlement agreement. The fund consists of:
- 12 (1) all money received by the state under the master settlement
- 13 agreement;
- 14 (2) appropriations made to the fund by the general assembly; and
- 15 (3) grants, gifts, and donations intended for deposit in the fund.
- 16 ~~(c) Money may be expended, transferred, or distributed from the~~

fund during a state fiscal year only in amounts permitted by subsections (d) through (e); and only if the expenditures, transfers, or distributions are specifically authorized by another statute:

(d) The maximum amount of expenditures, transfers, or distributions that may be made from the fund during the state fiscal year beginning July 1, 2000, is determined under STEP THREE of the following formula:

STEP ONE: Determine the sum of money received or to be received by the state under the master settlement agreement before July 1, 2001:

STEP TWO: Subtract from the STEP ONE sum the amount appropriated by P.L.273-1999, SECTION 8, to the children's health insurance program from funds accruing to the state from the tobacco settlement for the state fiscal years beginning July 1, 1999, and July 1, 2000:

STEP THREE: Multiply the STEP TWO remainder by fifty percent (50%):

(e) The maximum amount of expenditures, transfers, or distributions that may be made from the fund during the state fiscal year beginning July 1, 2001, and each state fiscal year after that is determined under STEP THREE of the following formula:

STEP ONE: Determine the amount of money received or to be received by the state under the master settlement agreement during that state fiscal year:

STEP TWO: Multiply the STEP ONE amount by sixty percent (60%):

STEP THREE: Add to the STEP TWO product any amounts that were available for expenditure, transfer, or distribution under this subsection or subsection (d) during preceding state fiscal years but that were not expended, transferred, or distributed:

(f) The following amounts shall be retained in the fund and may not be expended, transferred, or otherwise distributed from the fund:

(1) All of the money that is received by the state under the master settlement agreement and remains in the fund after the expenditures, transfers, or distributions permitted under subsections (c) through (e):

(2) All interest that accrues from investment of money in the fund; unless specifically appropriated by the general assembly: Interest

1 ~~that is appropriated from the fund by the general assembly may~~
 2 ~~not be considered in determining the maximum amount of~~
 3 ~~expenditures, transfers, or distributions under subsection (e):~~

4 ~~(g)~~ (c) The fund shall be administered by the budget agency.
 5 Notwithstanding IC 5-13, the treasurer of state shall invest the money
 6 in the fund not currently needed to meet the obligations of the fund in
 7 the same manner as money is invested by the public employees
 8 retirement fund under IC 5-10.3-5. The treasurer of state may contract
 9 with investment management professionals, investment advisors, and
 10 legal counsel to assist in the investment of the fund and may pay the
 11 state expenses incurred under those contracts from the fund. Interest
 12 that accrues from these investments shall be deposited in the fund.
 13 Money in the fund at the end of the state fiscal year does not revert to
 14 the state general fund.

15 ~~(h)~~ (d) The state general fund is not liable for payment of a shortfall
 16 in expenditures, transfers, or distributions from the Indiana tobacco
 17 master settlement agreement fund or any other fund due to a delay,
 18 reduction, or cancellation of payments scheduled to be received by the
 19 state under the master settlement agreement **or for any other reason.**
 20 **Unless otherwise provided by statute,** if such a shortfall occurs in any
 21 state fiscal year, ~~the budget agency shall make the full transfer to the~~
 22 ~~regional health facilities construction account and then reduce all~~
 23 ~~remaining~~ expenditures, transfers, and distributions affected by the
 24 shortfall **shall be reduced proportionately.**

25 SECTION 2. IC 4-12-8.5-3, AS ADDED BY P.L.291-2001,
 26 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2003]: Sec. 3. (a) The regional health care construction
 28 account is established for the purpose of providing funding for state
 29 psychiatric hospitals and developmental centers, regional health
 30 centers, or other health facilities designed to provide crisis treatment,
 31 rehabilitation, or intervention for adults or children with mental illness,
 32 developmental disabilities, addictions, or other medical or
 33 rehabilitative needs. The account consists of:

- 34 (1) amounts, if any, that any statute requires to be distributed to
- 35 the account from the Indiana tobacco master settlement
- 36 **agreement** fund;
- 37 (2) appropriations to the account from other sources; and
- 38 (3) grants, gifts, and donations intended for deposit in the

1 account.

2 (b) Fourteen million dollars (\$14,000,000) shall be transferred
3 during state fiscal years 2001-2002 and 2002-2003 from the Indiana
4 tobacco master settlement fund to the account.

5 (c) (b) The budget agency shall administer the account. Money in
6 the account at the end of a state fiscal year does not revert to the state
7 general fund but remains available for expenditure.

8 (d) (c) Money in the account may be used for:

9 (1) the construction, equipping, renovation, demolition,
10 refurbishing, or alteration of existing or new state hospitals,
11 regional health centers, or other health facilities; or

12 (2) lease rentals to the state office building commission or other
13 public or private providers of such facilities.

14 (e) (d) Money in the account shall be used to pay any outstanding
15 lease rentals before making any other payments from the account.

16 (f) (e) Money in the account is annually appropriated for the
17 purposes described in this chapter.

18 SECTION 3. IC 6-7-1-30.5 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 30.5. (a) There is
20 annually appropriated to the local health maintenance fund established
21 by IC 16-46-10 ~~two million three hundred seventy thousand dollars~~
22 ~~(\$2,370,000)~~ **two million four hundred thirty thousand dollars**
23 **(\$2,430,000)** from the state general fund to provide funds for annual
24 distribution to local boards of health in accordance with IC 16-46-10-2
25 to enable local boards of health to provide basic health services.

26 (b) The state department of health may retain annually a maximum
27 of fifty thousand dollars (\$50,000) of the total appropriation to the local
28 health maintenance fund under subsection (a) to pay administrative
29 expenses incurred by the state department of health in distributing the
30 funds to local health departments.

31 SECTION 4. IC 20-12-21.9-5 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) The commission
33 shall administer the fund.

34 (b) The expenses of administering the fund shall be paid from
35 money in the fund.

36 (c) The treasurer of state shall invest the money in the fund not
37 currently needed to meet the obligations of the fund in the same
38 manner as other public funds. Interest that accrues from those

1 investments shall be deposited in the fund.

2 (d) Money in the fund at the end of a fiscal year does not revert to
3 the state general fund **or the Indiana tobacco master settlement**
4 **agreement fund.**

5 SECTION 5. IC 20-12-22.2 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
7 JULY 1, 2003]:

8 **Chapter 22.2. Health Professions Scholarship Fund**

9 **Sec. 1. As used in this chapter, "approved institution of higher**
10 **learning" has the meaning set forth in IC 20-12-21-3.**

11 **Sec. 2. As used in this chapter, "commission" refers to the state**
12 **student assistance commission established by IC 20-12-21-4.**

13 **Sec. 3. As used in this chapter, "fund" refers to the health**
14 **professions scholarship fund.**

15 **Sec. 4. (a) The health professions scholarship fund is established**
16 **to encourage and promote qualified individuals to pursue careers**
17 **in health professions in Indiana.**

18 **(b) The fund consists of the following:**

19 **(1) Appropriations by the general assembly.**

20 **(2) Gifts to the fund.**

21 **Sec. 5. (a) The commission shall administer the fund.**

22 **(b) The expenses of administering the fund shall be paid from**
23 **money in the fund.**

24 **(c) The treasurer of state shall invest the money in the fund not**
25 **currently needed to meet the obligations of the fund in the same**
26 **manner as other public funds may be invested. Interest that**
27 **accrues from those investments shall be deposited in the fund.**

28 **(d) Money in the fund at the end of a fiscal year does not revert**
29 **to the state general fund or the Indiana tobacco master settlement**
30 **agreement fund.**

31 **Sec. 6. (a) The money in the fund shall be used to provide annual**
32 **scholarships to:**

33 **(1) students in programs leading to degrees that will enable**
34 **the students to qualify for licensing in health professions**
35 **governed by the:**

36 **(A) board of environmental health specialists (IC 25-32);**

37 **(B) speech-language pathology and audiology board (IC**
38 **25-35.6-2);**

- 1 (C) Indiana physical therapy committee (IC 25-27);
- 2 (D) respiratory care committee (IC 25-34.5);
- 3 (E) occupational therapy committee (IC 25-23.5);
- 4 (F) physician assistant committee (IC 25-27.5); and
- 5 (G) Indiana dietitians certification board (IC 25-14.5-2-1);
- 6 and
- 7 (2) students in training programs identified by the medical
- 8 licensing board by rule adopted under IC 25-22.5-2-7 as
- 9 training programs for nonlicensed allied health care
- 10 professions.
- 11 (b) Scholarships shall be awarded under this section to students
- 12 who qualify by demonstrating a financial need and meeting the
- 13 requirements listed under section 8 of this chapter in an amount
- 14 that is equal to the lesser of the following amounts:
- 15 (1) The balance of the student's total cost of tuition or fees in
- 16 attending the eligible institution for the academic year.
- 17 (2) Five thousand dollars (\$5,000).
- 18 (c) A scholarship awarded under this section may be used only
- 19 for the payment of tuition or fees that are:
- 20 (1) approved by the approved institution of higher learning
- 21 that awards the scholarship; and
- 22 (2) not otherwise payable under any other scholarship or form
- 23 of financial assistance specifically designated for tuition or
- 24 fees.
- 25 (d) Subject to section 7(c) of this chapter, each scholarship
- 26 awarded under this section is renewable under section 8(b) of this
- 27 chapter for a total number of terms that does not exceed eight (8)
- 28 full-time (or part-time equivalent) semesters or twelve (12)
- 29 full-time (or part-time equivalent) quarters.
- 30 Sec. 7. (a) The commission for higher education shall provide
- 31 the commission with the most recent information concerning the
- 32 number of students enrolled in programs described in section 6 of
- 33 this chapter at each eligible institution.
- 34 (b) The commission shall allocate the available money from the
- 35 fund to each approved institution of higher learning that has a
- 36 program for persons training for health professions designated in
- 37 section 6 of this chapter in proportion to the number of students
- 38 enrolled in courses for health professions designated in section 6 of

1 this chapter at each eligible institution based upon the information
2 received by the commission under subsection (a).

3 (c) Each approved institution of higher learning shall determine
4 the scholarship recipients under this chapter based upon the
5 criteria set forth in section 8 of this chapter and the rules adopted
6 by the commission under section 10 of this chapter. In addition, the
7 approved institution of higher learning shall consider the need of
8 the applicant when awarding scholarships under this chapter.

9 (d) The approved institution of higher learning may not grant
10 a scholarship renewal to a student for an academic year that ends
11 later than six (6) years after the date the student received the initial
12 scholarship under this chapter.

13 (e) Any funds that:

14 (1) are allocated to an approved institution of higher learning;
15 and

16 (2) are not used for scholarships under this chapter;
17 shall be returned to the commission for reallocation by the
18 commission to any other eligible institution in need of additional
19 funds.

20 Sec. 8. (a) To qualify initially for a scholarship from the fund, a
21 student must:

22 (1) be admitted to an approved institution of higher learning
23 as a full-time or part-time student in one (1) of the areas
24 designated in section 6(a) of this chapter;

25 (2) agree, in writing, to work in a health profession described
26 in section 6(a) of this chapter in any type of health care setting
27 in Indiana for at least two (2) years following graduation;

28 (3) meet any other minimum criteria established by the
29 commission; and

30 (4) demonstrate a financial need for the scholarship.

31 (b) To qualify for a scholarship renewal from the fund, a health
32 professions student must:

33 (1) comply with the criteria set forth in subsection (a);

34 (2) maintain at least the cumulative grade point average:

35 (A) that is required by an approved institution of higher
36 learning for admission to the approved institution of
37 higher learning; or

38 (B) equivalent to 2.0 on a 4.0 grading scale, as established

- 1 by the approved institution of higher learning, if the
 2 institution's program for health professions described in
 3 section 6 of this chapter does not require a certain
 4 minimum cumulative grade point average; and
 5 (3) demonstrate a continuing financial need for the
 6 scholarship.

7 **Sec. 9. (a) The commission shall maintain complete and accurate**
 8 **records in implementing the program, including the following:**

- 9 (1) Scholarships awarded under this chapter.
 10 (2) The number of individuals who fulfilled the agreement
 11 described under section 8(a)(2) of this chapter.
 12 (3) The number of individuals who did not fulfill the
 13 agreement described under section 8(a)(2) of this chapter.

14 **(b) Each eligible institution shall provide the commission with**
 15 **information concerning the following:**

- 16 (1) The awarding of scholarships under this chapter.
 17 (2) The academic progress made by each recipient of a
 18 scholarship under this chapter.
 19 (3) Other pertinent information requested by the commission.

20 **Sec. 10. The commission shall adopt rules under IC 4-22-2**
 21 **necessary to carry out this chapter, including rules governing the**
 22 **enforcement of the agreements under section 8(a)(2) of this**
 23 **chapter.**

24 SECTION 6. IC 25-22.5-2-7 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The board shall do
 26 the following:

- 27 (1) Adopt rules and forms necessary to implement this article that
 28 concern, but are not limited to, the following areas:
 29 (A) Qualification by education, residence, citizenship,
 30 training, and character for admission to an examination for
 31 licensure or by endorsement for licensure.
 32 (B) The examination for licensure.
 33 (C) The license or permit.
 34 (D) Fees for examination, permit, licensure, and registration.
 35 (E) Reinstatement of licenses and permits.
 36 (F) Payment of costs in disciplinary proceedings conducted by
 37 the board.
 38 (2) Administer oaths in matters relating to the discharge of its

- 1 official duties.
- 2 (3) Enforce this article and assign service bureau personnel duties
- 3 as may be necessary in the discharge of the board's duty.
- 4 (4) Maintain, through the service bureau, full and complete
- 5 records of all applicants for licensure or permit and of all licenses
- 6 and permits issued.
- 7 (5) Make available, upon request, the complete schedule of
- 8 minimum requirements for licensure or permit.
- 9 (6) Issue, at the board's discretion, a temporary permit to an
- 10 applicant for the interim from the date of application until the
- 11 next regular meeting of the board.
- 12 (7) Issue an unlimited license, a limited license, or a temporary
- 13 medical permit, depending upon the qualifications of the
- 14 applicant, to any applicant who successfully fulfills all of the
- 15 requirements of this article.
- 16 (8) Adopt rules establishing standards for the competent practice
- 17 of medicine, osteopathic medicine, or any other form of practice
- 18 regulated by a limited license or permit issued under this article.
- 19 (9) Adopt rules regarding the appropriate prescribing of Schedule
- 20 III or Schedule IV controlled substances for the purpose of weight
- 21 reduction or to control obesity.
- 22 **(10) Adopt rules identifying training programs for**
- 23 **nonlicensed allied health care professions that qualify for**
- 24 **annual scholarships under IC 20-12-22.2.**

25 SECTION 7. [EFFECTIVE JULY 1, 2003] (a) **The definitions set**

26 **forth in HEA 1001-2003, SECTION 1, apply throughout this**

27 **SECTION.**

28 (b) **The following sums are appropriated for the periods**

29 **designated from the Indiana tobacco master settlement agreement**

30 **fund (IC 4-12-1-14.3):**

| | | |
|----|---|-------------------|
| 31 | <i>FY 2003-FY 2004</i> | <i>2004-2005</i> |
| 32 | FOR THE INDIANA HEALTH CARE ADVISORY BOARD | |
| 33 | Children's Health Insurance Program | |
| 34 | Total Operating | |
| 35 | Expense 23,800,000 | 26,200,000 |
| 36 | FOR THE TOBACCO USE PREVENTION AND | |
| 37 | CESSATION BOARD | |
| 38 | TOBACCO USE PREVENTION AND CESSATION | |

1 **PROGRAM**

2 Total Operating

3 Expense 32,000,000 32,000,000

4 **FOR THE STATE BUDGET AGENCY**

5 **INDIANA PRESCRIPTION DRUG PROGRAM**

6 Total Operating

7 Expense 8,000,000 8,000,000

8 With the approval of the governor and the budget agency, the

9 above appropriations for the Indiana prescription drug

10 program may be augmented for each fiscal year from the

11 Indiana tobacco master settlement agreement fund to an

12 amount not to exceed in total, together with the above specific

13 amounts, \$20,000,000.

14 **FOR THE STATE DEPARTMENT OF HEALTH**

15 **COMMUNITY HEALTH CENTERS**

16 Total Operating

17 Expense 15,000,000 15,000,000

18 **LOCAL HEALTH MAINTENANCE FUND**

19 Total Operating

20 Expense 1,400,000 1,400,000

21 The above appropriations for the local health maintenance

22 fund are in addition to and not in lieu of the appropriation

23 provided for this purpose in IC 6-7-1-30.5 or any other law.

24 **LOCAL HEALTH DEPARTMENT ACCOUNT**

25 Total Operating

26 Expense 3,000,000 3,000,000

27 The foregoing appropriations for the local health department

28 account are statutory distributions pursuant to IC 4-12-7.

29 **FOR THE FAMILY AND SOCIAL SERVICES**

30 **ADMINISTRATION**

31 **DIVISION OF DISABILITY, AGING, AND**

32 **REHABILITATIVE SERVICES ADMINISTRATION**

33 Total Operating

34 Expense 3,000,000 3,000,000

35 The foregoing appropriations for the division of disability,

36 aging, and rehabilitative services are appropriated for the

37 home health providers to increase the salaries of direct care

38 workers.

Total Operating

The foregoing appropriations for developmentally disabled client services are in addition to and not in lieu of any other appropriations for developmentally disabled client services.

Total Operating

The above appropriations for the nursing scholarship program are in addition to and not in lieu of any other appropriations for the program. The state student assistance commission shall use twenty-five percent (25%) of the above appropriations for the nursing scholarship program to encourage and promote qualified minority individuals to pursue a career in nursing in accredited schools in Indiana.

Total Operating

The state student assistance commission shall use twenty-five percent (25%) of the above appropriations for the health professions scholarship program to encourage and promote qualified minority individuals to pursue a career in health professions in accredited schools in Indiana.

Total Operating

The above appropriations are in addition to any funding for the commission derived from funds appropriated to the department of workforce development.

(c) There is appropriated to the budget agency two million nine hundred thousand dollars (\$2,900,000) from the Indiana tobacco master settlement agreement fund for its use in carrying out the purposes of the regional health facilities construction account (IC 4-12-8.5) during the period beginning July 1, 2004, and ending June 30, 2005.

(d) The following provisions apply if the Indiana tobacco master

1 settlement agreement fund contains insufficient money to make the
 2 appropriations made by subsections (b) and (c) for any state fiscal
 3 year:

4 (1) The appropriations made for the TOBACCO USE
 5 PREVENTION AND CESSATION PROGRAM and the
 6 LOCAL HEALTH DEPARTMENT ACCOUNT are not
 7 subject to any reduction.

8 (2) Each of the other appropriations made by this act is subject
 9 to a pro rata reduction. The amount of each appropriation is
 10 determined under STEP FOUR of the following formula:

11 STEP ONE: Subtract the sum of the appropriations
 12 described in subdivision (1) for that state fiscal year from the
 13 amount available in the Indiana tobacco master settlement
 14 agreement fund for that state fiscal year.

15 STEP TWO: Determine the sum of the appropriations made
 16 by this act for that state fiscal year, other than the
 17 appropriations described in subdivision (1).

18 STEP THREE: Divide the amount of the particular
 19 appropriation by the STEP TWO sum.

20 STEP FOUR: Multiply the STEP ONE remainder by the
 21 STEP THREE quotient.

22 (e) The following sums are appropriated for the state fiscal years
 23 designated from the state general fund:

| | | |
|----|--|------------------|
| 24 | <i>FY 2003-FY 2004</i> | <i>2004-2005</i> |
| 25 | FOR THE FAMILY AND SOCIAL SERVICES | |
| 26 | ADMINISTRATION | |
| 27 | DIVISION OF DISABILITY, AGING, AND | |
| 28 | REHABILITATIVE SERVICES | |
| 29 | ADMINISTRATION | |
| 30 | DEVELOPMENTALLY DISABLED CLIENT SERVICES | |
| 31 | Total Operating | |
| 32 | Expense | |
| 33 | 9,000,000 | 9,000,000 |

34 The foregoing appropriations for developmentally disabled
 35 client services are in addition to and not in lieu of any other
 36 appropriations for developmentally disabled client services.

37 (f) The additional money appropriated by the amendment made
 38 to IC 6-7-1-30.5 by this act is intended to provide additional

1 funding to adjust funding through the formula in IC 16-46-10 to
2 reflect population increases in various counties.

3 SECTION 8. [EFFECTIVE JULY 1, 2003] (a) As used in this
4 SECTION, "office" refers to the office of Medicaid policy and
5 planning established by IC 12-8-6-1.

6 (b) With the approval of the governor and the budget agency
7 after review by the budget committee, the office may apply to the
8 United States Department of Health and Human Services for an
9 amendment to the Pharmacy Plus Section 115 Demonstration
10 waiver for Phase II of the Indiana prescription drug program
11 established under IC 12-10-16 that would amend the waiver to
12 allow the program to provide services to an individual whose
13 family income does not exceed one hundred eighty-five percent
14 (185%) of the federal income poverty level for the same size family.

15 (c) The office may not implement the amendment to the waiver
16 until the office files an affidavit with the governor attesting that the
17 amendment to the federal waiver applied for under this SECTION
18 is in effect. The office shall file the affidavit under this subsection
19 not later than five (5) days after the office is notified that the
20 amendment to the waiver is approved.

21 (d) If the office receives approval to amend the waiver as set
22 forth in subsection (b) of this SECTION from the United States
23 Department of Health and Human Services and the governor
24 receives the affidavit filed under subsection (c), the office shall
25 implement the amendment to the waiver not more than thirty (30)
26 days after the governor receives the affidavit.

1 (e) The office may adopt rules under IC 4-22-2 necessary to
2 implement this SECTION.

3 (f) This SECTION expires December 31, 2008.

(Reference is to HB 2009 as introduced.)

and when so amended that said bill do pass.

Representative Crawford